IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

IMPLICIT, LLC, *Plaintiff*, v. NETSCOUT SYSTEMS, INC. *Defendant.*	Civil Action No. 2:18-cv-00053-JRG LEAD CASE JURY TRIAL DEMANDED
v. SANDVINE CORPORATION. *Defendant.*	Civil Action No. 2:18-cv-00054-JRG MEMBER CASE

PLAINTIFF IMPLICIT, LLC'S MOTION FOR PARTIAL SUMMARY JUDGMENT

REDACTED VERSION OF DOCUMENT

FILED UNDER SEAL

TABLE OF CONTENTS

TABLE OF AUTHORITIES

<u>**Cases**</u>   <u>**Page**</u>

Statutes

I.   INTRODUCTION.

Implicit LLC ("Implicit" or "Plaintiff") moves for summary judgment that the alleged public use, sale/offer for sale, or prior invention of PacketShaper does not anticipate or render obvious Claims 1 and 10 of U.S. Patent No. 8,694,683 (the "'683 Patent"); Claims 1, 8, and 15 of U.S. Patent No. 9,270,790 (the "'790 Patent"); and Claims 1, 10, and 16 of U.S. Patent No. 9,591,104 (the "'104 Patent").

Here, it is undisputed that the third-party source code upon which Defendants' expert relies to show that the public use, sale or prior invention of PacketShaper meets claim elements 1(b)(iv) and 10(e)(1) of the '683 Patent; 1(b)(iii), 8(b)(iv), and 15(c) of the '790 Patent; and 1(b)(iii), 10(e), and 16(c) of the '104 Patent (together, the "TCP Conversion Elements") is not—and has never been—public. Defendants therefore cannot show that the key claimed features were publicly available before the critical date.

II.   STATEMENT OF ISSUES TO BE DECIDED

1.   Whether summary judgment should be granted as to whether the alleged public use, sale/offer for sale, or prior use of PacketShaper does not anticipate or render obvious Claims 1 and 10 of the '683 Patent; Claims 1, 8, and 15 of the '790 Patent; and Claims 1, 10, and 16 of the '104 Patent.

III.   STATEMENT OF UNDISPUTED FACTS

On August 13, 2019, Defendants served the Opening Expert Report of Dr. Kevin Jeffay Regarding Invalidity of U.S. Patent Nos. 8,694,683, 9,270,790, and 9,591,104 and Exhibits A and B thereto, (collectively, the "Jeffay Report"). As set forth in Implicit's *Daubert* Motion to Exclude portions of Defendants NetScout Systems, Inc. and Sandvine Corporation's Invalidity Expert's Report and Testimony, Exhibit B to Dr. Jeffay's Report ("Jeffay Exhibit B") contains

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both Dr. Jeffay's analysis of the functionality of a purported prior art system known as

PacketShaper, and his explanation of why that functionality anticipates or renders obvious

certain claims of the patents asserted in this case. *See* Declaration of Brandon C. Martin in

Support of Plaintiff's Partial Summary Judgment Motion ("Martin Dec."), Ex. 1 (Jeffay Exhibit

B) at § I.D & ¶¶ 87, 130, 159.[1]   More specifically, Dr. Jeffay opines that ███████████████

███ anticipating or rendering

obvious the asserted claims under Sections 102(a), 102(b), and 102(g). *See id.*

It is undisputed fact that for at least the TCP Conversion Elements in each independent

claim of the '683, '790, and '104 Patents, the only evidence Dr. Jeffay puts forth to support his

opinion that PacketShaper meets the elements is drawn directly from confidential source code.

Specifically, for element b(iv) of claim 1 of the '683 Patent, which requires, "wherein the

sequence includes a routine that is used to execute a Transmission Control Protocol (TCP) to

convert one or more packets having a TCP format into a different format," Dr. Jeffay relies

exclusively on his analysis of confidential PacketShaper source code. *See* Jeffay Exhibit B ¶¶

100-102. Specifically, Dr. Jeffay cites only his prior analysis in Section I.C.1 of Jeffay Exhibit

B. *See id.* (citing Section I.C.1 and subsections and particular paragraphs therein). With the

exception of paragraphs 68-70, no paragraphs in Section I.C.1 of Jeffay Exhibit B cite any

supporting evidence other than the confidential PacketShaper Source Code. *See* Jeffay Exhibit B

¶¶ 45-72.

None of paragraphs 68-70 relate to the execution of "a Transmission Control Protocol

(TCP) to convert one or more packets having a TCP format into a different format." Paragraph

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[1] Plaintiff's *Daubert* Motion was filed September 30, 2019, the same day as this Motion.

68 relates to purported ███████████████████████████████████

███████████████████████). Jeffay Exhibit B ¶ 68. Paragraphs 69 and 70 relate to

████████████████ and simply describe that classification at a high level. Jeffay Exhibit B ¶¶

69-70. Dr. Jeffay's discussion of ████████████ is confined to paragraphs 51 to 57 of his

Exhibit B. Jeffay Exhibit B ¶¶ 51-57. Dr. Jeffay's discussion of ████████████ in these

paragraphs does not analyze or discuss any evidence at all other than the confidential

PacketShaper source code.

The remainder of Dr. Jeffay's analysis of element (b)(iv) of the Claim 1 of the '683

Patent is limited to an assertion that PacketShaper does not practice this element under the

Court's claim construction (*see* Jeffay Exhibit B ¶ 99), and an assertion that that to the extent

████████████████████████████████████," it would be obvious to add such a

capability to PacketShaper because—pursuant to Dr. Jeffay's analysis of the confidential source

code—"██." *See*

Jeffay Exhibit B ¶ 102.

It is undisputed that Dr. Jeffay's analysis of like claim elements in the remaining

independent claims of the asserted patents also relies on the confidential PacketShaper source

code.

Element (e)(i) of Claim 10 of the '683 Patent requires "a session associated with a

transport layer protocol that is executed to convert one or more packets in a transport layer

format into a different format." Martin Dec., Ex. 3 ('683 Patent at 15:17-21). For this element,

Dr. Jeffay merely cites to his analysis of "██████████████████████████████████."

Jeffay Exhibit B ¶ 127.

For claim elements 1(b)(iii), 8(b)(iv), and 15(c) of the '790 Patent, each of which involve execution of TCP, *see* Martin Dec., Ex. 4 ('790 Patent) at 14:29-34, 14:65-15:3, and 16:5-10, it is undisputed that Dr. Jeffay merely states "███." Jeffay Exhibit B ¶¶ 139, 150, 158.

For claim element 1(b)(iii) of the '104 Patent, "[w]ith respect to the claimed 'routine that is used to execute a Transmission Control Protocol (TCP) to process packets having a TCP format,'" Dr. Jeffay relies only on his analysis of "████████████████████████████████████." Jeffay Exhibit B, ¶ 168. Likewise, for claim elements 10(e), and 16(c) of the '104 Patent, each of which also involve execution of TCP, *see* Martin Dec., Ex. 5 ('104 Patent) at 15:33-37 and 16:19-23, it is undisputed that Dr. Jeffay merely relies on his analysis of element 1(b)(iii) of the '104 Patent. Jeffay Exhibit B, ¶¶ 185 & 193

It is undisputed that the source code relied on in Dr. Jeffay's analysis of claim elements 1(b)(iv) and 10(e)(1) of the '683 Patent; 1(b)(iii), 8(b)(iv), and 15(c) of the '790 Patent; and 1(b)(iii), 10(e), and 16(c) of the '104 Patent is, and has always been, confidential. Jeffay Exhibit B is designated "HIGHLY CONFIDENTIAL SOURCE CODE – ATTORNEY'S EYES ONLY." The printouts of the PacketShaper source code are similarly designated "RESTRICTED - ATTORNEYS' EYES ONLY;" "RESTRICTED CONFIDENTIAL SOURCE CODE." *See* Declaration of Darrell Rae Atkinson in Support of Plaintiff's Daubert Motion (Dkt. 145), ¶ 2. In addition, Defendants' counsel has asserted that the source code is confidential in response to Plaintiff's request to allow its client to review the source code. *See* Jeffay Dep., Sep. 26, 2019 (Martin Dec., Ex. 2), 99:19-100:24.

It is also undisputed that PacketShaper is a third-party device, and that the relevant third-party, Packeteer, is not connected to Implicit. Defendants do not contend that Implicit benefited

from the alleged commercialization of PacketShaper, nor do Defendants contend that PacketShaper was developed from an Implicit device.

IV.   LEGAL STANDARD

Summary judgement is warranted when the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, show that "there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). "By its very terms, this standard provides that the mere existence of some alleged factual dispute between the parties will not defeat an otherwise properly supported motion for summary judgment; the requirement is that there be no *genuine* issue of *material* fact." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48 (1986) (emphasis original). A dispute is genuine only "if the evidence is such that a reasonable jury could return a verdict for the nonmoving party." *Id.* at 248.

The standard for summary judgment in a patent case is no different. *Nike Inc. v. Wolverine World Wide, Inc.*, 43 F.3d 644, 646 (Fed. Cir. 1994) ("Summary judgment is appropriate in a patent case, as in other cases, when there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law.").

V.   ARGUMENT

Summary judgment of no-anticipation or obviousness is appropriate here because there is no genuine dispute that the evidence Dr. Jeffay relies on to find that PacketShaper meets the TCP Conversion Elements of the '683, '790, and '104 Patents was not public.

A. The Claims

Claim elements 1(b)(iv) of the '683 Patent and Claim elements 1(b)(iii) and 15(c) of the '790 Patent require "wherein the sequence includes a routine that is used to execute a Transmission

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Control Protocol (TCP) to convert one or more packets having a TCP format into a different format."

Claim element 10(e)(1) of the '683 Patent requires "convert one or more packets in a transport layer format into a different format."

Claim element 8(b)(iv) of the '790 Patent requires "wherein the sequence includes a routine that is executable to perform a Transmission Control Protocol (TCP) to convert at least one of the packets of the message into a different format."

Claim element 1(b)(iii) of the '104 Patent requires "wherein the sequence includes a routine that is used to execute a Transmission control Protocol (TCP) to process packets having a TCP format."
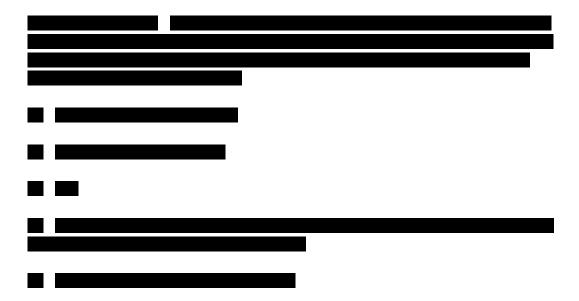
Claim element 10(e) of the '104 Patent requires "wherein the sequence includes a routine that is used to execute TCP to process at least one of the subsequent packets having a TCP format."

Claim element 16(c) of the '104 Patent requires "wherein the particular sequence includes a routine that is used to execute a Transmission Control Protocol (TCP) to process packets having a TCP format."

B. Defendants Cannot Show Invalidity Over PacketShaper Without Reference To PacketShaper's Confidential Source Code

It is undisputed that Dr. Jeffay's analysis of why PacketShaper meets the TCP Conversion Elements of the independent claims of the asserted patents relies exclusively on confidential source code for each of these elements. *See, supra*, § III. However, Dr. Jeffay does not state that the confidential source code is in fact prior art. Rather, he opines that the prior *public use or sale of* PacketShaper invalidates the asserted claims. But Dr. Jeffay's testimony is clear that without

access to the confidential source code, one of ordinary skill in the art would not have disclosed the functionality that Dr. Jeffay purports to find in the code.[2]

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See Ex. 2 at 101:18-102:5.   Dr. Jeffay's inspection of a PacketShaper device only ███████████████████████████████████." *See id*., 101:1-9.

1. Secret Source Code Is Not Sufficient Under Section 102(a) or (b)'s Public Use Bar

Generally, "[t]o decide whether a prior use constitutes an invalidating 'public use,' [a court] ask[s] 'whether the purported use: (1) was accessible to the public; or (2) was commercially exploited." *See Dey, L.P. v. Sunovion Pharmaceuticals, Inc*., 715 F.3d 1351, 1355 (Fed. Cir. 2013) (discussing Section 102(b)).

However, commercial exploitation unconnected to the patentee cannot, and does not, serve as the basis for applying the Public Use Bar. *See Woodland Trust v. Flowertree Nursery, Inc*., 148 F.3d 1368, 1371 (Fed. Cir. 1998) ("Thus an inventor's own prior commercial use, albeit kept

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[2] Plaintiff does not agree that the PacketShaper code discloses the claimed limitations of the '683, '790, and '740 Patents.

secret, may constitute a public use … under § 102(b), barring him from obtaining a patent … [¶]

However, when an asserted prior use is not that of the applicant, § 102(b) is not a bar when that

prior use or knowledge is not available to the public"); *Taurus IP, LLC v. DaimlerChrysler Corp.*,

534 F. Supp. 2d 849, 876 (W.D. Wis. 2008) ("Although defendants are correct that commercially

exploited use is public use even when it is secret, this rule applies only when the use is by the

inventor of the patent being challenged").

As to whether a purported use was "accessible to the public," the law provides that "[e]ven

where a disclosure is unrestricted, it will not be an invalidating public use, unless the patent

challenger establishes that **all claimed aspects of the invention** were made public." *See Pronova*

Biopharma Norge AS v. Teva Pharm. USA, Inc., 549 Fed. App'x 934, 941 (Fed. Cir. 2014); *see*

also id. at 942 ("Our precedent establishes firmly that **all aspects of the claimed invention must**

be disclosed for the § 102(b) public use bar to apply") (emphasis added) (collecting authority).

Where the inner workings of a third-party's device are concealed, and those inner workings

are what are alleged to meet some of a patent's claimed limitations, the use of the third-party device

cannot be invalidating. *See id.* at 943 ("Certainly, where only a partial demonstration of a system's

(or formulation's) capabilities occurs … or where unsophisticated users are provided a compound

with no detail regarding its formulation … there will be no public use"); *Parallel Networks*

Licensing, LLC v. Int'l Business Machines Corp., No. 13-2072 (KAJ) 2017 WL 1045912, at *9

(D. Del. Feb. 22, 2017) ("**The fact that IBM obscured the inner workings of its Masters server**

necessarily means that its website technology was not publicly accessible … [¶] I acknowledge

that the Masters server was, as a technical matter, accessible to the public. That is, members of

the public were able to submit web requests to the server … But public access to the *server* does

not amount to public access to the *invention*") (bold emphasis supplied; italicized emphasis original) (discussing Section 102(a)).

Here, Dr. Jeffay relies exclusively on the concealed inner workings of PacketShaper for his opinion that PacketShaper meets the TCP Conversion Elements of the '683, '790, and '104 Patents. But, Dr. Jeffay cannot "sidestep" the undisputed fact that the confidential source code was not publicly accessible. *See Dey*, 715 F. 3d at 1359 ("[U]nder Section 102(b), a court still must decide whether the 'claimed features of the patents [were placed] in the public's possession.' [Citation omitted.] And here, a reasonable jury could conclude that if members of the public are not informed of, and cannot readily discern, the claimed features of the invention in the allegedly invalidating prior art, the public has not been put in possession of those features"). Since Dr. Jeffay's opinion that PacketShaper is invalidating relies on the secret code, his opinion is wrong as a matter of law, and summary judgment on this issue should be granted.

2.   Secret Source Code Is Not Sufficient Under Section 102(b)'s On-Sale Bar

Analysis of 102(b)'s On-Sale Bar in this case collapses into the analysis under 102(b)'s Public Use Bar.

The On-Sale Bar does not apply where the sale or offer for sale is not connected to the patentee. *See In re Caveney*, 761 F. 2d 671, 675 & n.5 (Fed. Cir. 1985) ("a sale prior to the critical date is a bar if engaged in by the patentee or patent applicant, but not if engaged in by another"); *Medtronic Inc. v. Edwards Life Sciences Corp.*, No. SACV 12-00327-JVS (MLGx), 2013 WL 12113417, at *22 (C.D. Cal. Sep. 17, 2013) ("Dr. Ing's use of rapid pacing cannot implicate the on-sale bar as a matter of law because he was a third party and not the patentee"); *cf. Sunoco Partners Marketing & Terminals L.P. v. U.S. Venture, Inc.*, 339 F. Supp. 3d 803, 839 (N.D. Ill.

2018) ("the on-sale bar still would not apply, because the offers were made by someone other than

the patentee, and there is no evidence that these offers publicly disclosed the invention").

Rather, third-party sales are evaluated for whether they trigger the Public Use Bar. *See In

re Caveney, 761 F. 2d at 676 n.5 ("The 'on sale' provision of 35 U.S.C. § 102(b) is directed at

precluding an inventor from commercializing his invention for over a year before he files his

application. Sales or offers made by others and disclosing the claimed invention implicate the

'public use' provision of 35 U.S.C. § 102(b)"); *Medtronic*, 2013 WL 12113417, at *22 ("[T]he

Federal Circuit explicitly stated that '[s]ales or offers made by others and *disclosing* the claimed

invention implicate the "public use" provision of 35 U.S.C. § 102(b)'") (emphasis in original). [3]

3.   Secret Source Code Is Not Sufficient Under Section 102(g)'s Prior Invention Bar

Even assuming that an invention was invented first by another in this county, to qualify as

prior art under Section 102(g), the claimed features of the invention must not have been suppressed

or concealed. *See TPQ Development, LLC v. Intuit, Inc.*, No. 2:12-CV-180-WCB, 2014 WL

2809841, at *6 (E.D. Tex. Jun. 20, 2014) (J. Bryson) ("[E]vidence does not establish that the

aspects of RC4 relevant to the '730 patent's claims were not part of RCA's trade secret during the

relevant time") (denying summary judgment on 102(g)). If the claimed features are kept secret,

the alleged prior invention does not qualify as prior art. *See id.* ("When the 'inner workings' are

the essence of the invention, it is those 'inner workings' that must not be suppressed or concealed

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[3] "Sales or offers made by others and disclosing the claimed invention implicate the 'public use' provision of 35 U.S.C. § 102(b)." *ResQNet.com, Inc. v. Lansa, Inc*, 594 F.3d 860, 866 (Fed. Cir. 2010) (quoting *Caveney*, 761 F. 2d at 675 n.5); *see also Schlumberger Tech. Corp. v. BICO Drilling Tools, Inc.,* No. CV H-17-3211, 2019 WL 2450948, at *9 (S.D. Tex. June 12, 2019) (explaining that subsequent decisions did not "change[ ] the Federal Circuit's guidance from *ResQNet.com* and *In re Caveney* that the sales in cases like the instant case should be analyzed under the public use prong").

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in order for the invention to be prior art under section 102(g)").   Commercialization of the
invention that does not disclose the invention to the public cannot negate the consequences of the
alleged prior inventor's suppression/concealment of the invention. *See Palmer v. Dudzik*, 481 F.2d
1377, 1386 (C.C.P.A. 1973) ("We do not think that a finding of suppression or concealment is
negated merely because a secret use…has been commercial…The public has learned nothing …")
(interference context; prior version of the statute).

Again, Dr. Jeffay relies exclusively on the inner workings of PacketShaper that were
"concealed" and are still confidential for his opinion that PacketShaper meets the TCP Conversion
Elements of the '683, '790, and '104 Patents.[4]

VI.   CONCLUSION

For all of the foregoing reasons, the Court should grant summary judgment that the
alleged public use, sale/offer for sale or prior invention of PacketShaper does not anticipate or
render obvious Claims 1 and 10 of the '683 Patent; Claims 1, 8, and 15 of the '790 Patent; and
Claims 1, 10, and 16 of the '104 Patent.

Dated September 30, 2019   Respectfully submitted,

                                                By: */s/ Brandon C. Martin*
                                                Spencer Hosie, *pro hac vice*,
                                                (CA Bar No. 101777)

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[4] The analysis is the same for Section 103. *See Parallel Networks*, 2017 WL 1045912, at * 12
("As earlier noted, the 1996 Masters Server operations were hidden form the public, and thus the
technology cannot be relied on as a prior art reference [for obviousness purposes]"); *TQP
Development, LLC v. 1-800-Flowers.com, Inc.*, 120 F. Supp. 3d 600, 616 (E.D. Tex. 2015) (J.
Gilstrap) ("following the line of reasoning discussed in substance above, the jury could have
found that RC4 alone is not prior art for obviousness purposes because RC4 alone was a trade
secret that was suppressed or concealed"); *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721
F.2d 1540, 1550 (Fed. Cir. 1983) ("If claim 1 had not been held anticipated under § 102(a) in
light of operation of the 401 machine, it is clear from the discussion here that claim 1 could not
properly have been held invalid under § 103").

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CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically in

compliance with Local Rule CV-5(a). As such, this motion was served on all counsel who have

consented to electronic service, Local Rule CV-5(a)(3), on this the 30th day of September, 2019.

Because the foregoing document is filed under seal, counsel for Plaintiff Implicit, LLC also

certifies that an unredacted copy of the foregoing document was served on counsel for Defendants

Netscout Systems, Inc. and Sandvine Corporation via email.

/s/ Brandon C. Martin
Brandon C. Martin

CERTIFICATE OF AUTHORIZATION TO FILE UNDER SEAL

The undersigned hereby certifies that the foregoing document is authorized to be filed

under seal pursuant to the Protective Order entered in this case (Dkt. 61). I further certify that

Defendants do not oppose the filing of this motion under seal.

/s/ Brandon C. Martin
Brandon C. Martin